



Health Insurance Exchange Board of Directors Regular Meeting

State Capitol Building
300 Capitol Avenue, Old Judiciary Room, Hartford, CT

Thursday, February 16, 2012
Meeting Minutes

Members Present: Lieutenant Governor Nancy Wyman, Chair; Secretary Benjamin Barnes, Office of Policy and Management (OPM); Mary Ellen Breault for Commissioner Thomas Leonardi, CT Insurance Department (CID); Jeannette DeJesús (Vice Chair) Office of Health Reform & Innovation; Mickey Herbert; Thomas Leonardi, Connecticut Insurance Department (CID); Grant Ritter; Robert Scalettar; Robert Tessier; Victoria Veltri, Office of the Healthcare Advocate; Cee Cee Woods; Mary Fox

Members Absent: Jewel Mullen, Department of Public Health (DPH); Michael Devine

Other Participants: Tia Cintron; Karen Jeffers, Jeffers Cowherd; Michelle Goglia, Jeffers Cowherd; David K. Smith, HES Advisors; Bob Carey, HES Advisors; Jill Finnerty, HES Advisors; Louis Polzella, Department of Social Services (DSS)

The meeting of the Health Insurance Exchange Board of Directors was called to order at 9:01 a.m.

Call to Order and Introductions

Lieutenant Governor Nancy Wyman opened the meeting and introduced all members of the Board who were present.

Review and Approval of Minutes

Lt. Governor Wyman made a motion to approve the minutes from the two previous meetings: the Regular Board meeting of January 19, 2012 and the Special Board meeting of January 27, 2012. The motion was seconded. **Motion passed unanimously.**

Lt. Governor Wyman made a motion to rearrange items on the agenda. The motion was seconded. **Motion passed unanimously.**

Exchange Update

Tia Cintron introduced Jill Finnerty of HES advisors. Jill will act as interim Information Technologies (IT) Director for the Exchange. The Exchange also has five analysts from KPMG starting in-house on Tuesday, February 21st to begin work on Business Operations, IT and Consumer Assistance.

Business Operations Vendor

Tia Cintron announced that the Exchange signed a contract with KPMG on February 15th, 2012, and a sub-contract with Wakely Consulting.

Fitzgerald Associates

Tia Cintron announced that Fitzgerald Associates' recruitment efforts commenced on February 4th, 2012. Job descriptions have been posted to the Office of Health Reform & Innovation website ([Link](#)). The Exchange has had a preliminary meeting with the Personnel Search Committee, and recruitment efforts have been aggressive.

Mintz & Hoke

Tia Cintron announced that Mintz & Hoke has begun initial consumer outreach efforts. Seven discussions forums have been scheduled throughout the state. Tia explained that the initial outreach mirrors the approach taken under the Planning Grant.

Mary Fox asked for clarification on the targeted audience of the initial outreach, stating that reaching out to particular community leaders in a targeted way is a better way to get a finger on the pulse of diverse areas. Tia remarked that the initial contact was to reach out to targeted community leaders.

Dr. Robert Scalettar stated that the Board should be more inclusive and have better public outreach—requesting to know whether the times and dates of these meetings will be posted on the Exchange website. Dr. Scalettar made a motion to have Exchange staff develop a mechanism for alerting people when developments are posted on the site. The motion was seconded by Bob Tessier. **Motion passed unanimously.**

Discussion around communications and website capabilities ensued. Jeannette DeJesús stated that the Office of Health Reform & Innovation can provide an alert capability from the current website. Jeannette further stated that currently there are not resources or functions for an alert system, but that the Office can figure out a way to develop one. Lt. Governor Wyman made a motion to confirm that The Office of Health Reform & Innovation will develop an alert system for the Exchange website. The motion was seconded. **Motion passed unanimously.**

Early Innovator Grant

Tia Cintron briefly discussed the Early Innovator Initiative and the *reusability in Exchange development*. The State is actively looking at the possibilities, working with Massachusetts and other New England States. Dr. Scalettar expressed interest in learning more about the Exchange's progress.

Mary Fox asked whether or not health care reform IT needs had been identified by an assessment across state agencies. Mary stated that it appears that the needs have already been identified. Tia responded that the report done by Gartner was very helpful in terms of providing feedback to support our discussions. Dr. Scalettar inquired about what connection exists between Gartner and KPMG. Tia noted that Gartner is under contract with DSS, and is currently doing a MITA assessment.

Lou Polzella provided a brief overview of the work between DSS and Gartner--Gartner has been brought on board to utilize the 90/10 potential for federal funding, and to utilize the eligibility systems from Medicaid. The MITA assessment is required by the Federal government in order to secure funding. There is a need to provide initial planning documentation to the federal government. Lou stated there will be some overlap between the work from Gartner and KPMG.

Administrative Structure

A brief update on the progress around the establishment of the Exchange as an administrative structure, as well as financial management activities was reviewed. Recent activities include establishing a banking relationship, selecting a payroll system, implementing a financial management system, engaging a local accounting firm in order to assist with the establishment of a financial management system, building policies and procedures, and engaging with a local and national insurance and benefits firm. Progress on these activities will be provided at the next Board meeting.

Lt. Governor Wyman stated that the Board has not decided on a benefits package. Lt. Governor Wyman stated that it is important for the Board to be aware of how other quasi-public agencies are handling benefits packages, and asked the Exchange to compile this information and present it at the next Board meeting.

Dr. Robert Scalettar asked if that discussion will include director's and officer's liability, asking also if the Board will receive a more detailed budget than what has been received so far. Secretary Benjamin Barnes explained that the budget will be dictated by waves of federal funding, so it will not be a "normal" budget that runs through consistent fiscal periods.

Secretary Barnes asked when the Exchange will be a legal employer. Exchange Staff stated the goal is April 1st, 2012. Secretary Barnes asked if the existing Exchange employees currently working through OPM will need to be transferred to the Exchange by April 1st. Tia replied yes—the Exchange would like to have all of the relevant information together to be presented at the next Board meeting.

Communication

Tia suggested a weekly or bi-weekly communication update to be developed. In addition, a list of resources was provided to the Board.

Mary requested the contracts become open to the public as soon as they are finalized. Mary noted a desire for the Board to be involved and provide critical input in the creation of these contracts. Michelle Goglia stated that contracts should remain internal until the agreements are finalized.

Gate Review / Level Two Application

Tia Cintron provided an overview of the Federal Gate Review process and stated that feedback from their Connecticut visit last month was positive. They had conveyed satisfaction with Connecticut's efforts in moving towards a unified eligibility system, and also with the development of thematically organized advisory committees. Tia explained that the Exchange is working with the CID and DSS on developing a Memorandum of Understanding, which would specify the agencies roles and responsibilities with the Exchange.

Tia Cintron stated that there is a lot of flexibility and that the State needs to be strategic in its next steps. Tia announced that the next steps will include an upcoming planning review in Bethesda, Maryland where the Federal authorities will assess the operational approaches and initial plans for the Exchange operations. After numerous preliminary discussions with KPMG, HES Advisors, and CCIIO, the Exchange is looking into the possibility of applying for a second Level One Grant in March and a Level Two Grant in June 2012.

The Level One Grant supplement would serve as bridge funding and the Level Two would serve as funding for Exchange operations and implementation.

Bob Carey emphasized the importance of certainty prior to submitting a Level Two Grant application, with the recommendation that an additional Level One Grant application be submitted by the State in March 2012 while preparing further for the Level Two to be submitted in June 2012. From the state's perspective, it is crucial to submit a Level Two application that correctly assesses the needs of the Exchange, i.e. funding estimates, budgets, etc.

Exchange Plan Draft

A motion was made to organize a Special Meeting of the Board to discuss the Exchange Plan Draft at greater length. Mary Fox seconded the motion. **Motion passed unanimously.**

Dr. Scalettar stated that the Board also must amend the January 19th minutes where it is stated that the last date to file Level Two Grant application is in March, since it is in June. Dr. Scalettar recommended discussion take place regarding which critical decisions need to be made in order for the State to have a successful and robust Level Two grant. Vicki Veltri stated she would recommend deferment, and does not think that the Exchange is prepared for a March 2012 Level Two grant application. Vicki stated that the Board should provide enough time for KPMG to accomplish its tasks, and suggested that the Exchange put together a timeline or work plan that can be shared with the Board in order to highlight points of decision-making. Tia Cintron noted that a high-level work plan exists and is being revised and that the Exchange would share that with the Board along with their approach as appropriate.

Secretary Barnes expressed concern regarding the end date for Exchange development, stating that the final critical deadline is January 2014, and that there are interim deadlines established by the Federal government. Secretary Barnes' further stated that while KPMG has just signed on, it would be helpful for them to finalize a work plan over the next few months, emphasizing that he would prefer that the Board take action after understanding staff opinions and after allowing KPMG the flexibility to write a solid work plan.

Mickey Herbert stated agreement with the meeting's general consensus that the Board wants more information and to be more involved in processes around developing policies, but pointed out that it should be recognized that the Exchange staff consists of only few people, and despite a large burden, they have received terrific marks from the Federal government. Mickey suggested the Board keep in mind that they are asking the Exchange staff to do additional tasks, and that he hopes the Board can be sensitive when putting additional requirements on them.

Dr. Robert Scalettar stated that the Board has been very supportive of Staff efforts from the beginning in terms of providing resources for them to be successful, stating further if the Exchange needs to ask for additional staff, the Board would be not be unsupportive of that.

Lt. Governor Wyman asked Bob Carey to state again what his recommendation is so that the Board may make a motion. Bob stated that the Exchange would like to determine if there is sufficient funding to move through the end of August 2012. If not, the Exchange needs to apply for an additional Level One Grant in March so that it can operate through the end of August. Bob's recommendation is that if further funding is needed, the State should submit a Level One Grant application in March. Lt. Governor Wyman asked for clarification on when it will be known whether or not the State will need to apply for the Level Two Grant.

No motion was made.

Overview of Single Eligibility Initiative

Overview of Single Eligibility Initiative was tabled to the next meeting.

Discussion—Funding All Payer Claims Database

Jeannette DeJesús provided a brief overview of the All Payer Claims Database (APCD). Jeannette is requesting the Board allocate funding for the development of an APCD, a database that receives and stores administrative data applicable to health finance. During the 2010 legislative session, a working group was created to establish a multi-payer in Connecticut—this working group includes representatives from every major state agency. The existence of an APCD will allow the state to make informed policy decisions and service delivery decisions based on real data. Jeannette stated that all of the insurance carriers are on board and enthusiastic about this development, and that they have recently submitted a proposal for the establishment of an APCD in Connecticut that will be heard in the Public Health Committee in the next few weeks. Jeannette further stated that the use of an APCD is critical for the Exchange, and that the Exchange will most likely be the first to use it. Approved funding by the Board will allow the hiring of a consultant to assist in immediate analysis for the next Exchange grant application. A motion was made to approve of the funding out of the current Exchange grant in order to hire a consultant who will provide technical assistance. The motion was seconded by Secretary Barnes. **Motion passed unanimously.**

Secretary Barnes stated that there is a need to improve costs and that this will be a good way to use the power of the Exchange to improve quality across the spectrum of health care. Secretary Barnes asked how much the consultant will cost. Jeannette DeJesús announced that it will probably not exceed \$15,000 over the next four months. Tia stated that the funding allocation can be accommodated under the Level One Grant. Jeannette noted that the \$15,000 funding is meant to provide a consultant to do the background work and provide the results to Exchange staff; eventually the hope is to gain full funding, which is estimated anywhere between \$1.6 and \$6 million. Jeannette stated that there are several groups that could develop an APCD, and because of its broad applicability the Office can help to supervise. Jeannette stated that the Exchange will not be undertaking the design, and that the Office will work closely with the vendor throughout the process, also clarifying that the APCD will begin within The Office and be housed elsewhere later, and that while the Exchange will use the APCD it will not be the only user.

Vicki Veltri noted that she supports the motion, and that the APCD will be useful for advocates and consumers alike to get information from the government, as well as shape policy in the future.

Lt Governor Wyman presented a motion to approve the funding of the All-Payer Claims Database. **Motion passed unanimously.**

Advisory Committees

Tia Cintron provided an update on the status of Exchange Advisory Committees. The Lt. Governor has selected co-chairs for each advisory committee. Co-chairs will be tasked with selecting 15 member committees. Tia explained that the Exchange has set up an advisory committee meeting in March. In this way, there is a collective kick-off with all four committees, and there can be discussions around deliverables and tasks and communications processes.

Dr. Scalettar requested discussion of the objectives of the kick-off meeting for the advisory committees, the time frames for the Board receiving their recommendations on issues, and how their recommendations will be processed by the Board. Tia Cintron stated that the Board needs to formalize the framework for the committees, and that it is important to design it efficiently because these committees will support the work that is needed to achieve Federal certification of the Exchange. Tia stated that the Exchange would provide a draft of the framework for Board approval. Lt. Governor Wyman stated that the advisory committees would make recommendations, and it would be up to the Board of Directors to accept or reject their proposals.

Grant Ritter asked questions about the structure of advisory committees and the overlapping of areas of concern. Grant expressed particular concern about items that cannot be delegated to a particular advisory committee, and asked if there then needs to be a special advisory committee for extraneous issues.

Bob Tessier stated that he thinks it is important that Advisory Committees convened to ensure each one knows what the other is doing, thereby ensuring that there is no overlap and preventing any special case described by Grant Ritter. Bob Tessier further stated as an example that another important product of a combined Advisory Committee meeting is deciding how to funnel their output to the Board. Bob Carey stated that after the Level Two Grant application in June, there will remain many important policy decisions needed from the Board, and that the advisory committees will play a crucial role in informing those policy decisions.

Jeannette DeJesús stated that the Consumer Advisory board is to be convened through The Office by statute, and that because this is a broader discussion than just Exchange advisory committees she suggests convening a multi-agency group, including the public, to decide on any recommendation made to the legislature. Secretary Barnes stated that it is ultimately a decision for the legislature, and that the Board for the Exchange is itself an advisory body for the legislature. Secretary Barnes stated that the legislature should be brought in more directly. Lt. Governor Wyman asked that Jeannette call her own meeting as soon as possible to include interagency involvement and some legislative leadership.

Policies / Legal Matters

Tia Cintron introduced Karen Jeffers and Michelle Goglia from Jeffers Cowherd.

Karen Jeffers walked the Board through the documentation provided to the Board. The first document is an overview of the progress on creating policies. Karen noted that Equal Employment Opportunity (EEO) and Affirmative Action, Hiring, Promotion and Disciplinary Action Policies have all been drafted. These policies will be published for a term of 30 days in The Connecticut Law Journal to allow for public comment, and then be brought back to the Board of Directors for discussion.

Dr. Scalettar asked Karen Jeffers how public comment is to be considered or incorporated. Karen explained that Tia Cintron and the Exchange staff will consider the comments and bring recommendations to the Board. Dr. Scalettar asked where that leaves the Board now in terms of governance. Karen suggested that the Board follow the policies which it has approved, and adopt if those policies need to change.

Reports

Karen Jeffers announced that there is a list of things that will need to be reported to the Governor and auditors, as well as quarterly reports for the Office of Fiscal Analysis which are specifically budgetary reports. Dr. Scalettar questioned the types of reports provided to the Governor and auditors and the scope of this policy, stating that the quarterly reports are required by virtue of receiving federal grants. Dr. Scalettar also asked whether the Exchange will have to provide these reports indefinitely. Karen clarified that the reports to the Federal government would not continue after the terms of the grant, but that these reports are required by the State. Dr. Scalettar made a motion to accept the Reports policy. The Lt. Governor Wyman seconded the motion. **Motion passed unanimously.**

Ethics

Michelle Goglia reviewed the Ethics Policy, stating that it is taken directly from the Connecticut Code of Ethics, following the same guidelines. Michelle provided a high-level review of the ethics policy, including the solicitation or receipt of gifts, provisions on outside employment (pulled directly from the Exchange

Act) regarding financial benefits, confidential information, and post-employment prohibitions (pulled directly from the state ethics code). Michelle stated that the Board is subject to these provisions related to the ethics code, and that members must provide the Board of Ethics with reports of financial ties. Mickey Herbert asked about the post-employment restriction as it applies to the Board, stating that it seemed unusual that Board members who are not compensated should be prevented from employment. Mickey asked if that provision was state law. Michelle replied yes. Lt. Governor Wyman made a motion to pass the ethics policy. Grant Ritter seconded the motion. **The motion passed unanimously.**

Annual Budget and Plan of Operations Policy

Karen Jeffers reviewed the Annual Budget and Plan of Operations Policy, explaining that the annual budget for operations is required by the Exchange Act, and that the budget and plan of operations must be presented to the Board of Directors and approved for the next fiscal year. Karen stated that any expenditure outside of the budget in excess of \$5,000 must be approved by the Board. Jeannette DeJesús asked if this policy would conflict with a previous policy approved by the Board that would allow the CEO to approve expenditures. Secretary Barnes stated that in the coming months a more formal budget will need to be adopted because the Exchange will not be using the budget lines within the Level One Grant anymore. Jeannette stated she does not want this new policy to impede Tia Cintron in her CEO capacity, and Karen replied that if the Board provided the CEO authority, then the policy is satisfied. Lt. Governor Wyman made a motion to accept the policy. Mary Fox and Secretary Barnes seconded the motion. **Motion passed unanimously.**

Audits Policy

Karen Jeffers reviewed the Audit Policy. Karen indicated that an audit will be done bi-annually by the State to assess practices related to affirmative action, grant administration, loans, et cetera. Karen noted that while there is an outsider audit every two years, the Compliance Officer should do one every year so that the Exchange is not behind when an outsider comes in. Karen also noted that another component of this policy is a provision that any quasi-public agency cannot enter a contract with the same company for more than six consecutive fiscal years. Lt. Governor Wyman requested clarification on the bi-annual audit, asking if it is the State that performs the audit. Karen clarified that in order to be ready for that audit, it would be a good idea to have an audit done annually. Mickey Herbert made a motion to pass the audits policy. Secretary Barnes seconded the motion. **Motion passed unanimously.**

Compensations and Benefits Policy

Michelle Goglia reviewed the Compensation and Benefits Policy. Michelle explained that this policy is required by statute; specifically that the Board is expected to establish reasonable compensation and benefits to attract good employees. Some items to consider will be incentive compensation, vacation, sick time, flex time, performance evaluation, and some other general policies. Jeannette DeJesús asked whether the Board would have to establish a policy within this general area. Michelle stated that it did. Dr. Scalettar stated that he appreciated the use of the phrase “may include” in reference to a compensation program, and asked if other quasi-public agencies use this same language. Dr. Scalettar would also like to know whether other quasi-public agencies have acted on incentive compensation. Michelle confirmed that other quasi-public agencies do have incentive compensation, but emphasized the point that it is more complicated than a simple comparison between quasi-public agencies, further stating that those agencies based compensation plans on milestones and performance, and that if the Board chose to include this policy it should be merit-based as well.

Vicki Veltri stated that the Board therefore needs to establish a human resources committee, as well as finance and audit committees. Vicki stated that she envisions those committees working through the bylaws to come up with policies, and that the Board could review and adopt those policies. Karen Jeffers

stated that ultimately the Board will be the actor, and while commonly the Board will task management with gathering information and making recommendations, the information can also come from committees should the Board choose that route.

Lt. Governor Wyman questioned for the record whether the legal language indicates that the Board “shall” or “may” create a compensation plan, especially in regards to salary grades. Karen Jeffers stated that while the Board clearly should establish a compensation plan, it is up to them whether they want to establish salary grades. Michelle Goglia added that if the Board should decide that certain things like salary grades or travel reimbursement are not to be offered, then there is no lack of policy so long as the Board establishes a policy that they do not offer such.

Lt. Governor Wyman expressed concern over the legal language of “may” and “shall” in relation to Policy E (Compensation and Benefits Policy), stating that the policy is the only one that includes the word “may” instead of “shall”. Michelle Goglia clarified that Policies A through D are items that the Board must consider, and that item E may be considered. Michelle added that the Board may determine after examining items A through D that they would not like to include them in the Exchange policies, but they must at least give them consideration. Secretary Barnes proposed a motion to replace the term “shall” with “may” wherever it occurs to avoid excessive commitment by the Board at this time, and Karen Jeffers offered a solution by restructuring the language to allow for Board establishment and modification of policies as it deems necessary. Karen further suggested that items A through E be listed together, all subject to the Board of Director’s consideration, establishment and modification. Secretary Barnes agreed with this idea. Lt. Governor Wyman made a motion to approve the new language of the Compensation and Benefits Policy. Bob Tessier seconded the motion. **The motion to amend and accept the amendment to policy language passed unanimously.**

Secretary Barnes acknowledged that the State Ethics Commission provides guidance and enforcement of state ethics rules, and asked if there is an identified source of guidance for those components that do not overlap with state ethics. Michelle Goglia stated that the statutes set forth what is applicable to the Exchange. Karen Jeffers announced that Jeffers Cowherd can look into whether or not the Ethics Commission has issued support and/or guidance. Karen also announced that the board would be provided access to the Ethics Commission. Secretary Barnes recommends an open discussion in general, specifically regarding post-employment restrictions for Board members.

Secretary Barnes asked Karen Jeffers and her staff for guidance in reminding the Board of their Freedom of Information Act (FOIA) obligations. This includes public documents, meetings, electronic communication, and other methods of communications that have FOIA implications. Secretary Barnes requested plain language guidance for the Board on FOIA obligations.

Executive Session to discuss Personnel Matters

Lt. Governor Wyman requested a motion to go into Executive Session at 11:10 a.m. The motion was made. The motion was seconded by Vicki Veltri. **Motion passed unanimously.**

The Board of Directors came out of Executive Session at 12:16 p.m.

Next Steps

The next Board meeting will take place on March 15, 2012 at 9:00 am in Room 310.

Adjournment

As approved by the Board
on April 19, 2012

Lieutenant Governor Wyman requested a motion to adjourn the meeting at 12:19 p.m. The motion was made and seconded. **Motion passed unanimously.**